

**U.S. NAVY CAREER STATUS BONUS (CSB) ELECTION
AND PAYMENT OPTION FORM**

(Read the following information before completing form.)

1. EACH SAILOR IS AN IMPORTANT PART OF OUR COUNTRY'S DEFENSE. THEIR RESOLVE AND PROFESSIONALISM ARE WIDELY ADMIRERD AND THE DECISIONS THEY MAKE ON THE JOB OFTEN HAVE AN EFFECT BEYOND THEIR POSITION. THIS TENET IS ESPECIALLY TRUE AS THEY ENTER THE CAREER RANKS. ONE OF THE PARTICULARLY IMPORTANT DECISIONS OUR SAILORS FACE AT THE 15-YEAR MARK IS THE CHOICE OF A RETIREMENT PLAN. THIS DECISION MUST BE MADE CAREFULLY BY WEIGHING ALL THE OPTIONS AND UTILIZING SOME BASIC INFORMATION ON THE TWO PLANS AVAILABLE.
2. ONLY SAILORS WHO ENTERED THE SERVICE ON OR AFTER 01 AUGUST 1986 WILL BE GIVEN A CHOICE OF RETIREMENT PLANS AT THEIR 15TH YEAR OF SERVICE. THE PLANS AVAILABLE ARE THE HIGH 3 PLAN AND THE MILITARY RETIREMENT REFORM ACT OF 1986, WHICH IS COMMONLY REFERRED TO AS THE REDUX PLAN.
3. THE HIGH 3 PLAN IS STRAIGHTFORWARD. STARTING AT 20 YEARS, RETIREMENT PAY IS 50 PERCENT OF BASE PAY AND INCREASES AT THE RATE OF 2.5 PERCENT FOR EACH YEAR OF SERVICE THEREAFTER TO A MAXIMUM OF 75 PERCENT AT 30 YEARS. BASE PAY IS CALCULATED AS THE AVERAGE BASIC PAY FOR THE HIGHEST 36 MONTHS OF THE INDIVIDUAL'S CAREER. COST OF LIVING ADJUSTMENTS (COLAS), EQUAL TO AND BASED ON THE INCREASE IN THE CONSUMER PRICE INDEX (CPI), ARE GIVEN ANNUALLY.
4. THE REDUX RETIREMENT SYSTEM IS MORE COMPLEX. STARTING AT 20 YEARS RETIREMENT PAY IS 40 PERCENT OF BASE PAY AND INCREASES AT THE RATE OF 3.5 PER CENT FOR EACH YEAR OF SERVICE THEREAFTER TO A MAXIMUM OF 75 PERCENT AT 30 YEARS. ONLY AT 30 YEARS IS THE RATE THE SAME AS FOR HIGH 3. BASE PAY IS CALCULATED IN THE SAME MANNER AS HIGH 3.
5. COLA FOR THE REDUX PLAN IS ALSO GIVEN ANNUALLY BUT IS BASED ON THE CPI MINUS 1 PER CENT. AS AN EXAMPLE, IF THE CPI FOR ONE YEAR IS 3.1 PER CENT, HIGH 3 WOULD RECEIVE THE FULL AMOUNT AND SAILORS UNDER REDUX WOULD RECEIVE A 2.1 PER CENT ADJUSTMENT. A FEATURE UNIQUE TO REDUX IS A RE-COMPUTATION OF RETIREMENT PAY AT AGE 62. TWO ADJUSTMENTS ARE MADE. THE FIRST ADJUSTS THE MULTIPLIER TO WHAT IT WOULD HAVE BEEN UNDER HIGH 3. THIS NEW MULTIPLIER IS APPLIED AGAINST THE ORIGINAL AVERAGE BASIC PAY FOR THE SAILOR'S HIGHEST 36 MONTHS. THEN THE FULL CPI FOR EVERY RETIREMENT YEAR IS APPLIED TO THIS AMOUNT TO COMPUTE A NEW BASE RETIREMENT SALARY. AT AGE 62, BOTH PLANS' RETIREMENT SALARIES ARE EQUAL. BUT REDUX COLAS IN LATER YEARS WILL AGAIN BE SET AT CPI MINUS 1 PER CENT. ANOTHER FEATURE OF THE REDUX PLAN IS THE 30,000 DOLLAR CAREER RETENTION BONUS (CRB) PAID TO THOSE SAILORS WHO ELECT THE REDUX RETIREMENT SYSTEM AT THEIR 15TH YEAR AND AGREE TO COMPLETE AT LEAST A TWENTY-YEAR ACTIVE DUTY CAREER.
6. FOR EXAMPLE, A FIRST CLASS PETTY OFFICER FACING THIS DECISION TODAY, ASSUMING A 3.5 AVERAGE ANNUAL PAY RAISE, WOULD RECEIVE 1229 DOLLARS OF MONTHLY PRETAX PAY UPON RETIREMENT AT 20 YEARS OF SERVICE UNDER REDUX AND 1574 DOLLARS PER MONTH 10 YEARS AFTER RETIREMENT. BY CONTRAST, THE HIGH 3 OPTION WOULD PROVIDE 1537 DOLLARS AT RETIREMENT AND 2095 DOLLARS 10 YEARS LATER. EXAMPLES FOR E-7 THROUGH E-9 SHOW SIMILAR OUTCOMES.
7. GIVEN ALL OF THIS INFORMATION, HIGH 3 IS MOST LIKELY THE BEST CHOICE FOR MOST SAILORS. CSB/REDUX IS THE BEST DEAL IN THIS SCENARIO ONLY AT THE 30 YEAR MARK AND ONLY IF THE CSB IS INVESTED, WHICH MAKES UP FOR THE LOWER MONTHLY PAYOUT FROM THIS OPTION. HIGH 3 ONLY BECOMES MORE LUCRATIVE IN THIS SCENARIO IF YOU LIVE BEYOND AGE 81.
8. IT IS ESSENTIAL THAT EVERY SAILOR EXAMINES BOTH OPTIONS AND MAKES AN INFORMED CHOICE. I RECOMMEND EACH SAILOR VISIT WWW.STAYNAVY.NAVY.MIL AND CLICK ON THE RETIREMENT CALCULATOR UNDER THE CAREER TOOLS SECTION, TO CALCULATE THEIR RETIREMENT PAY WITH BOTH PLANS.

U.S. NAVY CAREER STATUS BONUS (CSB) ELECTION AND PAYMENT OPTION FORM*(Read Instructions before completing form.)*

AUTHORITY: 37 U.S.C. 322; E.O. 9397;

PRIVACY ACT STATEMENT

IMPLEMENTING GUIDANCE: ASD(FMP) Memorandum dated February 2, 2001, Subject: Career Status Bonus and NAVADMIN 245/01

PRINCIPAL PURPOSE: To record a member's eligibility and election to receive or not receive the Career Status Bonus with reduced retired pay (REDUX) and to adjust such retired pay according to the member's election.**ROUTINE USE(S):** Information may be provided to the Internal Revenue Service to resolve matters relating to an individual's tax withholding; to the Federal Retirement Thrift Investment Board to establish eligibility for contributions to the Thrift Savings Plan for Uniformed Service personnel, and to the Department of Justice or state and local governments when a question of conflicting interest is raised concerning a member's declarations and election.**DISCLOSURE:** Voluntary; however, failure to provide the requested information by the time instructed by the Department of Defense and U.S. Navy could result in an irrevocable determination affecting the amount of retired pay the individual may later qualify to receive and disqualification for electing the Career Status Bonus.**SECTION I - PERSONAL IDENTIFICATION** *(To be completed by the Command Career Counselor or Administrative Officer)*

1. NAME (Last, First, Middle Initial):	2. SSN:	3. RANK/PAY GRADE/BRANCH OF SERVICE:
4. DIEMS (YYYYMMDD):	5. ADSD (YYYYMMDD):	6. DATE/TIME/GROUP OF NOTIFICATION MESSAGE:

SECTION II - DETERMINATION OF ELIGIBILITY *(To be completed by the member's Reporting Senior)*

7. You may be eligible to elect a Career Status Bonus (CSB). To be eligible, you must:
- (1) Be on active duty,
 - (2) Complete 15 years of active duty service,
 - (3) Have a DIEMS of August 1, 1986 or later, and
 - (4) Qualify under U.S. Navy regulations for retention to 20 years of active duty service.

Service records indicate that you are currently:

☐

Eligible to elect the Career Status Bonus.

☐

Not eligible to elect the Career Status Bonus. REASON NOT ELIGIBLE: _____

☐

Holding final determination of eligibility in abeyance pending a favorable determination of a specific disciplinary, medical, or administrative case proceeding that may ultimately result in member's separation from the Navy prior to their 20th anniversary of active duty. Upon favorable determination of proceedings member is authorized to resubmit CSB Election Form for final determination.

8. DATE OF DETERMINATION
(YYYYMMDD):**9. REPORTING SENIOR**

a. PRINTED NAME (Last, First, Middle Initial):

b. SIGNATURE:

SECTIONS III, IV, or V *(To be completed by Member and Witnessed by the Command Career Counselor or Administrative Officer)***NOTE:** Complete only one of these sections and then return it to your Command Career Counselor or Administrative Officer.

If not eligible, complete Section III only.

If eligible and you want to elect to receive the bonus, complete Section IV only.

If eligible and you do not want to receive the bonus, complete Section V only.

SECTION III - NOT CURRENTLY ELIGIBLE FOR CAREER STATUS BONUS

Complete this section only if you are not currently eligible to elect the Career Status Bonus and return the form as instructed by your Service.

10. I understand that I am not eligible for the Career Status Bonus at this time and that my ineligibility does not preclude my continued service to retirement if the U.S. Navy permits. I understand that I will not receive a bonus and I remain under the High-3 retirement system. I understand that the U.S. Navy will notify me if I later become eligible to elect the bonus.

a. SIGNATURE:

b. DATE SIGNED (YYYYMMDD):

11. WITNESS

a. PRINTED NAME (Last, First, Middle Initial):

b. RANK/PAY GRADE:

c. POSITION/DUTY TITLE:

d. ORGANIZATION:

e. ORGANIZATIONAL ADDRESS:

f. SIGNATURE:

g. DATE SIGNED (YYYYMMDD):

SECTION IV - ELIGIBLE AND ELECTING TO RECEIVE THE CAREER STATUS BONUS

Complete this section only if you are eligible and you desire to elect to receive the Career Status Bonus.

12. I elect to receive the Career Status Bonus payment, with payments as indicated in block 12b below. I make this election upon my attainment of 15 years of active duty service and having been determined eligible for the bonus by the U.S. Navy. I understand that once the election is effective it may not be revoked and installment payments that I elected cannot be modified. I understand that advance and remaining payment is payment of one or more installments due in a future fiscal year, and that remaining amount is payment of all remaining installments in one payment. I understand that these payments may be requested only in case of a hardship and requires Commanding Officer approval in writing. My election is effective once received and accepted at the 15th year of active duty service, or if later, the date received and determined acceptable by the U.S. Navy, but no later than the date that is six months after being notified of my eligibility. I understand that if I receive the CSB in error, I must repay the full, before tax bonus amount. I agree to remain on continuous active duty, subject to Service regulations, until I attain a minimum of 20 years of such service. If I fail to complete such service, I understand that I will be required to repay a share of the bonus payment in proportion to the amount of service I failed to complete compared to the additional service I agreed to serve. Any unpaid installments will be credited to my repayment. If I am separated prior to 20 years of service, I consent to withholding from current pay, final pay, or any other money due me to satisfy this indebtedness. I further consent to such withholdings at a rate sufficient to satisfy this indebtedness no later than my separation, and understand that this could result in the withholding of 100% of any current pay, final pay, or other money due me. I further understand that if and when I do retire, it will be under the provisions of the 1986 Military Retirement Reform Act (1986 MRRA, known as REDUX) and that my future retired pay, if based on length of service, will be reduced under such provisions in the form of a reduced multiplier before age 62 and annual Cost-of-Living Adjustments (COLAs) that are 1 percentage point less than I would otherwise receive both before and after age 62, but with a one-time catch-up COLA adjustment at age 62. I have received the Fact Sheet of Information for Eligible Career Status Bonus Members, explaining the details and effects of making this decision.

I understand that I have the option to elect to receive the Career Status Bonus in lump sum or installment payment ranging from (1) A single lump sum payment of \$30,000, (2) Two annual payments of \$15,000, (3) Three annual payments of \$10,000, (4) Four annual payments of \$7,500, or (5) Five annual payments of \$6,000. When multiple payments are to be made, the second and later payments are made in January of each succeeding year.

a. SIGNATURE:		b. PAYMENT OPTION (1, 2, 3, 4, or 5):		c. DATE SIGNED (YYYYMMDD):	
13. WITNESS a. PRINTED NAME (Last, First, Middle Initial):		b. RANK/PAY GRADE:		c. POSITION/DUTY TITLE:	
d. ORGANIZATION:		e. ORGANIZATIONAL ADDRESS:			
f. SIGNATURE:				g. DATE SIGNED (YYYYMMDD):	

SECTION V - ELIGIBLE AND ELECTING NOT TO RECEIVE THE CAREER STATUS BONUS

Complete this section only if you are eligible to receive the Career Status Bonus but you desire NOT to elect the bonus.

14. I elect not to receive the Career Status Bonus upon my attainment of 15 years of active duty service. I understand that once the election is effective it may not be revoked. My election is effective once received and accepted at the 15th year of active duty service, or if later, the date received and determined acceptable by the U.S. Navy, but no later than the date that is six months after being notified of my eligibility. I understand that I will not have any further opportunity to elect to receive this bonus. I understand that I will not receive a bonus payment and that I remain under the High-3 retirement system. I have received the Fact Sheet of Information for Eligible Career Status Bonus members, explaining the details and effects of making this election not to receive this bonus.

a. SIGNATURE:		b. DATE SIGNED (YYYYMMDD):			
15. WITNESS a. PRINTED NAME (Last, First, Middle Initial):		b. RANK/PAY GRADE:		c. POSITION/DUTY TITLE:	
d. ORGANIZATION:		e. ORGANIZATIONAL ADDRESS:			
f. SIGNATURE:				g. DATE SIGNED (YYYYMMDD):	

SECTION VI - SERVICE RECORDING OF ELECTION (To be completed by Command Career Counselor or Administrative Officer after member makes an election to receive the bonus)

16. CSB ELECTION EFFECTIVE DATE (YYYYMMDD):

17. RECORDING OFFICIAL (Command Career Counselor or Administrative Officer):

a. PRINTED NAME (Last, First, Middle Initial):		b. RANK/PAY GRADE:		c. POSITION/DUTY TITLE:	
d. ORGANIZATION:		e. ORGANIZATIONAL ADDRESS:			
f. SIGNATURE:				g. DATE SIGNED (YYYYMMDD):	

INSTRUCTIONS FOR COMPLETING NAVPERS 7220/9, CAREER STATUS BONUS (CSB) ELECTION AND PAYMENT OPTION FORM ELECTION

GLOSSARY:

CSB Election Effective Date: This is the date the member's election to receive a Career Status Bonus becomes irrevocable. This is the date the election is legally received and accepted by the Secretary of the Navy. It is no earlier than the member's 15th year of active duty, or if later, the date the member signs and the Service accepts the election, but no later than the date that is six months after the member is notified of eligibility for the Career Status Bonus.

Date of CSB Notification: This is the date-time-group (DTG) of the CSB GENADMIN Notification Message. Record the DTG of the message in Section 1, Item 6 of the form. If delivery of the message is held in abeyance by the Command for reasons authorized in CSB policy, note the date the message is delivered to the member in parentheses after the DTG of the CSB GENADMIN Notification message.

Active Duty Start Date: This is the date the U.S. Navy uses to compute the number of years, months, and days of active duty service earned by the member. The date, as recorded in the Navy Enlisted System or Officer Personnel Information System, is listed on the member's CSB GENADMIN Notification Message.

Date of Initial Entry to Military/Uniformed Service: This is the date you first became a member of a Uniformed Service. The meaning of "first became a member" and the corresponding data element "DIEMS" pertains to the earliest date of enlistment, induction, or appointment in a Regular or Reserve Component of a Uniformed Service as a Commissioned Officer, Warrant Officer, or Enlisted member. Breaks in service do not effect the date an individual first became a member. The date an individual became a cadet or midshipman of a Service Academy, Reserve Officer Training Corps (ROTC), or a member of the Delayed Entry Program (DEP) (whichever is earlier in some cases) is that individual's DIEMS date. The date, as recorded in the Navy Enlisted System (NES) or Officer Personnel Information System (OPINS), is listed on the member's CSB GENADMIN Notification Message. Report a discrepancy between the DIEMS date recorded on your first contract with a component of a Uniformed Service and your master record in NES or OPINS by official correspondence to Commander, Navy Personnel Command (Pers 333) Personnel Pay Assistance Center (PPAC).

RESPONSIBILITIES:

The Reporting Senior that signs member's fitness report or evaluation is responsible for completing Section II of this form. This responsibility is not to be delegated to a member who has not been authorized to sign the member's fitness report or evaluation.

Command Career Counselors and Command Administrative Officers are responsible for:

1. Delivering the CSB GENADMIN Notification Message released to the member and a copy of the Department of Defense fact sheet "Information for Members Eligible to Receive a Career Status Bonus."
2. Validating the accuracy of the member's DIEMS date in NES or OPINS.
3. Ensuring Section I of this form is accurately completed.
4. Ensuring Section II of this form is completed by the Reporting Senior who signs the member's fitness report or evaluation.
5. Ensuring the member completes Section III, IV, or V as appropriate.
6. Witnessing the member's signature in Section III, IV, or V as appropriate.
7. Completing Section VI if member is eligible and elects the CSB/REDUX.
8. Entering member's election data in this form in the Force Management System (FORMAN) for transmission to Defense Finance and Accounting Service (DFAS) for bonus payment.
9. Maintain a command copy of member's completed form.
10. Forward original copy of this completed form to CNPC (Pers 313C) for inclusion in member's permanent service record.
11. When member is enlisted, forward a copy of this completed form to member's PSD or Ship's Personnel Office for inclusion in member's Field Service Record.
12. Provide member with a copy of this completed form.

RESPONSIBILITIES CONT.

Member:

Complete only Section III, IV, or V, as appropriate to your situation.

1. Read these instructions carefully before completing the form.
2. This form will record your election to receive a Career Status Bonus. Your election will carry Service obligation requirements and affect your future retired pay.
3. If eligible to elect the Career Status Bonus, your CCC or Administrative Officer must furnish you a copy of the fact sheet: "Information for Members Eligible to Receive a Career Status Bonus" explaining the details and effects of making your election to receive or not to receive the bonus. You should read this fact sheet and consult other sources if desired. Your Command Financial Advisor is standing by to assist you with your decision.

SECTION I: To be completed by the Command Career Counselor or Administrative Officer. Blocks are self-explanatory. Obtain answers from member's CSB GENADMIN Notification message and Permanent Service Record.

SECTION II: To be completed by the member's Reporting Senior. Item 7 is the Reporting Senior's determination of the member's eligibility to remain on continuous active duty to 20 years.

SECTION III, IV, and V as appropriate are to be completed by the member and witnessed by the Command Career Counselor or Administrative Officer.

SECTION III: Member completes only if not currently eligible for Career Status Bonus and REDUX Retired Pay system.

SECTION IV: Member completes only if eligible and desires to receive the Career Status Bonus and REDUX Retired Pay system with associated reductions in future retired pay, and agrees to remain on active duty continuously for a minimum of 20 years.

PAYMENT PLAN:

Code	Description
1	Lump sum payment of \$30,000 upon the effective date of CSB election.
2	Two installment payments of \$15,000 upon the effective date of the CSB election and on 15 January of the following calendar year.
3	Three installment payments of \$10,000 upon the effective date of the CSB election and on 15 January of the following two calendar years.
4	Four installment payments of \$7,500 upon the effective date of the CSB election and on 15 January of the following three calendar years.
5	Five installment payments of \$6,000 upon the effective date of the CSB election and on 15 January of the following four calendar years.

SECTION V: Member completes only if eligible and desires to remain under the High 3 Retired Pay system and not to receive the Career Status Bonus and REDUX Retired Pay system with associated reductions in future retired pay.

SECTION VI: Command Career Counselor and Administrative Officer complete this section if member elects to receive the Career Status Bonus and REDUX Retired Pay system. Leave this section blank if the member was not eligible for the Career Status Bonus or was eligible but did not elect the bonus.